

ORDINANCE No. 118/32

Law Department

COUNCIL BILL No. 11238

AN ORDINANCE relating to the Seattle Center Department; authorizing execution of a Memorandum of Understanding with the Foundation for International Arts and Exhibitions regarding the presentation of the "Treasures of the Kremlin" exhibition at Seattle Center and the use and occupancy of various portions of the Seattle Center in connection therewith, and the subsequent negotiation and execution of one or more detailed agreements consistent with such Memorandum.

WORKED

The City of Seattle--Legislative

REPORT OF COMMITTEE

Honorable President:

Your Committee on _____

to which was referred the within Council Bill No. _____
report that we have considered the same and respectfully recommend that

5/8/96 Parks, Public Grounds and Recreation

Full Council vote 7-0

COMPTROLLER FILE No. _____

Introduced: <u>5-6-96</u>	By: <u>F. Donohue</u>
Referred: <u>5-6-96</u>	To: <u>Parks, Public Grounds & Recreation</u>
Referred:	To:
Referred:	To:
Reported: <u>MAY 13 1996</u>	Second Reading: <u>MAY 13 1996</u>
Third Reading: <u>MAY 13 1996</u>	Signed: <u>MAY 13 1996</u>
Presented to Mayor: <u>MAY 13 1996</u>	Approved: <u>MAY 16 1996</u>
Returned to City Clerk: <u>MAY 16 1996</u>	Published: <u>title</u>
Vetoed by Mayor:	Veto Published:
Passed over Veto:	Veto Sustained:

Committee Chair

Law Department

INDEXED

The City of Seattle--Legislative Department

Date Reported
and Adopted

REPORT OF COMMITTEE

Honorable President:

Your Committee on _____

to which was referred the within Council Bill No. _____
report that we have considered the same and respectfully recommend that the same:

5/8/91 Parks, Public Grounds and Recreation 3-0 Pass

Full Council vote 7-0

Committee Chair

ORDINANCE

118132

AN ORDINANCE relating to the Seattle Center Department; authorizing execution of a Memorandum of Understanding with the Foundation for International Arts and Exhibitions regarding the presentation of the "Treasures of the Kremlin" exhibition at Seattle Center and the use and occupancy of various portions of the Seattle Center in connection therewith, and the subsequent negotiation and execution of one or more detailed agreements consistent with such Memorandum.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. As requested by the Seattle Center Director and recommended by the Mayor, the Seattle Center Director is hereby authorized to execute, for and on behalf of The City of Seattle, a memorandum of understanding with the Foundation for International Arts and Exhibitions substantially in the form of the attached document entitled "MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SEATTLE AND THE FOUNDATION FOR INTERNATIONAL ARTS AND EXHIBITIONS REGARDING PRESENTATION OF THE 'TREASURES OF THE KREMLIN' EXHIBITION AT SEATTLE CENTER," which memorandum expresses the general understandings of the City and said Foundation regarding the making of various temporary and permanent improvements to the Seattle Center Pavilion by the City through the 1996 Capital Improvement Program and by said Foundation at said Foundation's expense, a minimum rent payment to the City of \$50,000 for the use and occupancy of such space for such exhibition, plus a separate contribution of \$50,000 for the Seattle Center Arts & Sciences Academy, all in connection with such exhibition, and the granting to said Foundation of a first option to present certain other exhibitions in the Seattle Center Pavilion through December 31, 2000.

Section 2. The Seattle Center Director is further authorized to negotiate and execute, without further or separate authorization by the City's legislative authority, one or more

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1 detailed agreement(s) with the Foundation for International Arts
2 and Exhibitions regarding that entity's use and occupancy of
3 various portions of Seattle Center in connection with the
4 presentation of the "Treasures of the Kremlin" exhibition at
5 Seattle Center in 1997, so long as such detailed agreement(s) are
6 not inconsistent with the provisions of the Memorandum of
7 Understanding authorized in Section 1 hereof.

8 Section 2. Any act inconsistent with the authority and
9 prior to the effective date of this ordinance is hereby ratified
10 and confirmed.

11 Section 4. This ordinance shall take effect and be in
12 force thirty (30) days from and after its approval by the Mayor,
13 but if not approved and returned by the Mayor within ten (10)
14 days after presentation, it shall take effect as provided by
15 Municipal Code Section 1.04.020.

16
17 Passed by the City Council the 13 day of May,
18 1996, and signed by me in open session in authentication of its
19 passage this 13 day of May, 1996.

20
21 Matthew Clark
22 President _____ of the City Council

23 Approved by me this 16 day of May, 1996.

24
25 Marianne B. Ric
26 Mayor

27 Filed by me this 16 day of May, 1996.

28
29 Judith E. Papp
30 City Clerk

31
32 (Seal)
33

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**MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF SEATTLE
AND
THE FOUNDATION FOR INTERNATIONAL ARTS AND EXHIBITIONS
REGARDING
PRESENTATION OF THE "TREASURES OF THE KREMLIN" EXHIBITION
AT SEATTLE CENTER**

This Memorandum of Understanding is entered into by and between the City of Seattle ("City"), represented by the Seattle Center Department, and the Foundation for International Arts and Exhibitions ("Foundation").

Introduction

In 1997 at the Seattle Center, the Foundation will present the "Treasures of the Kremlin", an exhibition of artifacts from 850 years of Russian history (the "Exhibition"). The Exhibition will be presented in the Seattle Center Pavilion from approximately March to August of 1997. The Foundation anticipates 500,000 exhibition visitors at an average ticket price of around \$11. In order for this Exhibition to take place, capital improvements are required in the Seattle Center Pavilion, beginning in 1996.

This Memorandum of Understanding ("MOU") represents the mutual understanding of the City and the Foundation regarding the Exhibition. This document is not intended to create binding legal obligations on either party, but rather is simply to serve as a summary of the tentative understandings that have been arrived at as of this date regarding the Exhibition.

Subsequent to the execution of this MOU, the City and the Foundation will negotiate in good faith detailed terms and conditions, consistent with this MOU, to be incorporated in a Use and Occupancy Agreement. Terms and conditions regarding capital improvements and temporary alterations to the Seattle Center Pavilion will either be incorporated in the Use and Occupancy Agreement or in a separate Construction Agreement.

I. CAPITAL IMPROVEMENTS AND ALTERATIONS TO THE SEATTLE CENTER PAVILION

- a. The Foundation will fund approximately \$1.5 million in improvements and temporary alterations to the Seattle Center Pavilion.
- b. The City will provide no more than \$500,000 to build out the new wing of the Seattle Center Pavilion into exhibition space. Funding for this work is

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Memorandum of Understanding
Treasures of the Kremlin
May 8, 1996

provided in the 1996 Capital Improvement Program (\$9603 -- Seattle Center Pavilion Build-Out).

c. All capital improvements made by the Foundation become the property of the City. Temporary alterations to City property will be removed by the Foundation at no cost to the City. What are defined as capital improvements and what are defined as temporary alterations will be detailed in the Use and Occupancy and/or Construction Agreement.

d. The Foundation and the City will coordinate their design and construction activity in the Seattle Center Pavilion to achieve efficiencies and ensure that the improvements are compatible with the needs of the Exhibition and with Seattle Center's future use of the Seattle Center Pavilion.

e. After the Exhibition and the Exhibition move-out are complete, and after the improvements to the Seattle Center Pavilion funded by the City in accordance with Section 1.b. above are complete, the Seattle Center Pavilion must meet City of Seattle building codes and be usable as exhibition space. Some of the work funded by the City in accordance with Section 1.b. above may have to be completed after the Exhibition is over in order to meet Exhibition requirements. What work is to be completed prior to the Exhibition and what work is to be completed after the Exhibition will be determined following discussions with the City's Department of Construction and Land Use (DCLU). If some work remains to be completed until after the Exhibition, sufficient funds from the City's \$500,000 will be held in reserve until after the Exhibition to pay for this remaining work.

f. The Foundation's plans for capital improvements and temporary alterations on the grounds of Seattle Center, including all exhibit related signage, are subject to the prior approval of the Seattle Center Director.

g. The staging and schedule for the construction of Exhibition related improvements and alterations to Seattle Center facilities and grounds will accommodate the needs of the major, campus-wide festivals held at Seattle Center, which accommodation shall be detailed in the Use and Occupancy Agreement and/or Construction Agreement. The 1996 dates of the major festivals are as follows: Seattle International Children's Festival, May 13-18; Northwest Folklife Festival, May 24-27; Bite of Seattle, July 19-21; Bumbershoot, August 30-September 2.

II. COMPENSATION TO THE CITY

a. **Rent** -- The Foundation will pay the City a minimum rent of \$50,000, which includes selected marketing and promotion services provided by Seattle Center.

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May 8, 1996

b. **Revenue Sharing** -- The Foundation will pay to the City 10% of all Exhibition related gross receipts (less applicable taxes) it receives in excess of \$4,500,000, up to a cap of \$100,000. The \$100,000 is in addition to the minimum rent. \$4,500,000 represents the total direct operating expenses for the Exhibition. Exhibition related gross receipts include, but are not limited to, ticketing revenue, cash sponsorship, and catering and concession revenue.

c. **Donation to the Seattle Center Arts and Sciences Academy** -- A donation of \$50,000 will be made to the Seattle Center Arts and Sciences Academy.

III. REIMBURSABLE EXPENSES

a. The Foundation will reimburse the City for the City's incremental, Exhibition related costs, i.e., costs incurred by the City in connection with or as a consequence of the Exhibition and not planned as a part of Seattle Center's regular business days. Examples of such costs include admissions personnel, sound technicians, and stagehands; Exhibition related grounds clean-up and disposal costs; and technical services staff (electricians, plumbers, etc.) called in outside of regular shifts specifically related to the Exhibition.

b. The City will provide the services of a Seattle Center Event Service Representative to coordinate day to day issues, a project manager to assist in coordination of capital improvements, and a representative from the Center's Marketing Services Division. Other Seattle Center staff will be available during their regular shifts (e.g., a plumber to fix a leak) at no additional cost to the Foundation.

IV. MISCELLANEOUS

a. **Insurance** -- The Foundation will obtain insurance and provide evidence of such insurance subject to the approval of the City Risk Manager. Insurance requirements will be detailed in the Use and Occupancy Agreement.

b. **Security Deposit** -- The Foundation will provide the City with a bond or security deposit as detailed in the Use and Occupancy Agreement.

c. **Parking** -- Seattle Center will provide eight (8) campus wide parking passes to the Foundation for Exhibition related purposes at no additional cost. Additional parking may be reserved, but purchased.

d. **Promotional Activities and Signage** -- All Exhibition related signage is subject to the prior approval of the Seattle Center Director. Other promotional

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May 8, 1996

activities which extend to the Seattle Center grounds must have the prior approval of the Seattle Center Director, or Director's designee.

e. **No Promotion of Tobacco or Hard Liquor Products** -- Sponsorship of the exhibit may not include the promotion of any tobacco product or any specific hard liquor product.

f. **Rental of Additional Space** -- Terms and conditions for the rental of additional space on the grounds of Seattle Center related to the Exhibition will be negotiated, as needed and included in the Use and Occupancy Agreement or other separate agreement.

g. **Bumbershoot** -- In the event the Exhibition at Seattle Center extends through any of the 1997 Bumbershoot Festival (occurring August 29 through September 1, 1997), the City requests the Foundation to work with One Reel (the Bumbershoot producer) regarding Exhibition admissions policies for persons who have paid an admission charge for the 1997 Bumbershoot Festival.

h. **Option for Future Exhibits** -- In consideration of the Foundation's investment in capital improvements to the Seattle Center Pavilion, the City grants to the Foundation the first option for presenting exhibitions in the Seattle Center Pavilion for a period ending December 31, 2000. The specific requirements for exercising this first option will be detailed in the Facility and Use Agreement.

FOUNDATION FOR INTERNATIONAL
ARTS AND EXHIBITIONS

CITY OF SEATTLE

By: _____
Robert Tulipan
Member, Board of Directors

By: _____
Virginia Anderson
Seattle Center Director

KREMMOU5.doc
May 8, 1996

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SEATTLE CENTER

May 6, 1996

The Honorable Jan Drago
President, Seattle City Council
1100 Municipal Building
Seattle, Washington 98104

Via: Mayor's Office

Attention: Tom Tierney, Director
Office of Management and Planning

Subject: TREASURES OF THE KREMLIN EXHIBIT

Dear Councilmember Drago:

I am pleased to bring to the City Council legislation authorizing a Memorandum of Understanding (MOU) with the Foundation for International Arts and Exhibitions regarding the presentation of the Treasures of the Kremlin exhibit at Seattle Center.

The Treasures of the Kremlin is an exhibition of artifacts from 850 years of Russian history. The Foundation for International Arts and Exhibitions intends to present the Treasures of the Kremlin exhibit from March to August 1997 in the Seattle Center Pavilion.

The above schedule coincides well with the Center's previously funded plans to create additional exhibition space in the Seattle Center Pavilion in unfinished space above the new KeyArena commissary. The shell of this space was completed as part of the KeyArena project. Funds to finish the space were provided in the 1996 Capital Improvement Program (CIP) budget.

The basic terms of the MOU regarding the Treasures of the Kremlin are as follows:

- The Foundation will pay for approximately \$1.5 million in improvements and temporary alterations to the Seattle Center Pavilion, upgrading the existing exhibition space to museum quality.
- The City will coordinate its work to build out the new, unfinished wing of the Seattle Center Pavilion with the Foundation, in order that this new exhibition space be ready for the Treasures exhibit. Funding for this work is provided in the 1996 CIP (S9603 -- Seattle Center Pavilion Build-Out).

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The Honorable Jan Drago
May 6, 1996
Page 2

- The City will receive a guaranteed minimum rent of \$50,000, plus a \$50,000 donation to the Seattle Center Arts and Sciences Academy, and the potential for an additional \$100,000 in rent if certain revenue goals are achieved.
- The Foundation will reimburse the Center for incremental, exhibit related expenses, and the Center, through existing resources, will provide marketing and promotion support, capital project management, and event coordination.
- In consideration for their capital improvements to the Seattle Center Pavilion, the Foundation will receive the first option for presenting future exhibits in the Seattle Center Pavilion through December 31, 2000.

The above terms and conditions provide privately-funded improvements to the Seattle Center Pavilion, and guarantees \$100,000 for Seattle Center programs and operations, while covering our incremental costs. The attached legislation authorizes the Seattle Center Director to execute the MOU with the Foundation for International Arts and Exhibitions on behalf of the City, and to negotiate and execute subsequent, detailed agreements consistent with the MOU. Seattle Center enthusiastically recommends your approval of this legislation.

If you would like any additional information regarding this legislation, please call Jim Weyermann at 684-7330, or Ned Dunn at 684-7212.

Sincerely,


Virginia Anderson

Attachments

For V. Anderson

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City of Seattle

Executive Department--Office of Management and Planning

Thomas M. Tierney, Director
Norman B. Rice, Mayor

May 1, 1996

The Honorable Mark Sidran
City Attorney
City of Seattle

Dear Mr. Sidran:

The Mayor is proposing to the City Council that the enclosed legislation be adopted.

REQUESTING
DEPARTMENT: Seattle Center

SUBJECT: AN ORDINANCE relating to Seattle Center Department; authorizing the execution of a Memorandum of Understanding with the Foundation for International Arts and Exhibitions regarding the presentation of the "Treasures of the Kremlin" exhibition at Seattle Center and the use and occupancy of various portions of the Seattle Center in connection therewith, and the subsequent negotiation and execution of one or more detailed agreements consistent with such Memorandum.

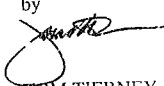
Pursuant to the City Council's S.O.P. 100-014, the Executive Department is forwarding this request for legislation to your office for review and drafting.

After reviewing this request and any necessary redrafting of the enclosed legislation, return the legislation to CMP. Any specific questions regarding the legislation can be directed to Jeanette Martin at 684-8071.

Sincerely,

Norman B. Rice
Mayor

by


TOM TIERNEY
Director

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Enclosure



chq/bb
5-1-96

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STATE OF WASHINGTON · KING COUNTY

68443
City of Seattle, City Clerk

—SS.

No. ORDINANCE 11

City of Seattle

TITLE-ONLY PUBLICATION

The full text of the following ordinances, passed by the City Council on May 15, 1996, and published here by title only, will be mailed, at no cost, upon request for two months after this publication. For further information, contact the Seattle City Clerk at 684-8844.

ORDINANCE NO. 118130

AN ORDINANCE amending Ordinance 117947, extending the time for execution of a contract for sale of land for housing development in the I-90 Redevelopment Project area and ratifying and confirming prior acts.

ORDINANCE NO. 118131

AN ORDINANCE relating to the Seattle Center Department, authorizing execution of the First Amendment to the Agreement with Seattle Thunderbirds Hockey Club, Inc. regarding Seattle Center Facility Use.

ORDINANCE NO. 118132

AN ORDINANCE relating to the Seattle Center Department, authorizing execution of a Memorandum of Understanding with the Foundation for International Arts and Exhibitions regarding the presentation of the "Treasures of the Kremlin" exhibition at Seattle Center and the use and occupancy of various portions of the Seattle Center in connection therewith, and the subsequent negotiation and execution of one or more detailed agreements consistent with such Memorandum.

ORDINANCE NO. 118133

AN ORDINANCE relating to City Light Department, releasing an easement for an electric transmission and distribution line over a portion of Lot 6, Block 5, Green's Addition, to the City of Seattle, King County, Washington, AND also a portion of Lot 6, Block 57, Lake Union Shore Lands, an unrecorded plat. (P. M. #250420-3-004)

ORDINANCE NO. 118134

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

Publication ordered by JUDITH PIP, City Clerk.

Date of official publication in Daily Journal of Commerce, Seattle, May 28, 1996.

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CTOT:118130-118134

was published on

05/28/96

The amount of the fee charged for the foregoing publication is the sum of \$, which amount has been paid in full.

Subscribed and sworn to before me on

05/28/96

Notary Public for the State of Washington,
residing in Seattle

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Affidavit of Publication